

**ATTENTION: News Editors, Business Editors**

**How Employers Can Reap the Benefits of Payroll Taxable Benefits Training**

**Knowledge of Employee Benefit Taxability and Allowances Can Reduce Costs and Mitigate Risk of Audits**

**TORONTO (January 12, 2017)** — Providing employee benefits and non-cash incentives can be a win-win for employers and employees. Employees, who value other forms of compensation, are often drawn to organizations that offer benefits beyond only a pay cheque. Employers, who want to be recognized as competitive and creative, can recruit and retain top candidates based on their benefits packages. But correctly managing and administering these benefits requires more finesse than many employers may consider. Employers, and payroll, human resource and accounting professionals can benefit from the [Canadian Payroll Association's](#) (CPA's) wealth of resources, including the popular [Taxable Benefits & Allowances](#) seminar.

"A better understanding of non-taxable benefits such as gifts and awards results in more tax-savvy remuneration packages that can ultimately benefit employees and employers," says Steven Van Alstine, Vice President of Education at the CPA. "Be sure that you and your organization have the expertise in place to seamlessly navigate the complexities of payroll compliance."

**Employer-Provided Benefits Remain Complex and Expensive**

At the outset, employers should be aware that there is a difference between taxable benefits, allowances and expense reimbursements, which are often categorized as employee benefits. Each category requires understanding of federal, provincial and territorial legislation and regulations and entails unique administration. The CPA's [Taxable Benefits & Allowances](#) seminar reviews these important aspects and explores key concepts used by Canada Revenue Agency and Revenu Québec to evaluate taxability and assess more than 40 common benefits, including automobile allowances, loan and stock options, gift cards and more.

By better understanding the taxability implications of benefits, payroll can make valuable recommendations to employers to help reduce the administrative cost of such benefits. That's important, especially considering that data from 2015 shows that on average, the annual cost for employers to provide benefits is \$8,330 per full-time employee<sup>1</sup>.

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<sup>1</sup> The Conference Board of Canada, *Providing Employee Benefits Continues to Be a Significant Cost for Employers*, November 2015. Retrieved from <https://goo.gl/w5klxC>



## Safeguarding in the Event of an Audit

Year after year, the improper assessment of taxable benefits and allowances are among the [CRA's top audit adjustments](#).

“This is due, in part, to the ever-changing legislation, regulations and administration that affect employer-provided benefits,” says Janet Spence, Manager of Compliance Services and Programs at the CPA. “Amid so much complexity, payroll, HR and accounting professionals need to ensure their organizations are compliant in the event of an audit. Non-compliance puts organizations at risk of fines and penalties, and may potentially damage the reputation of the organization.”

The CPA's [Getting Ready for a Payroll Audit Payroll Best Practices Guideline](#), is a valuable self-service compliance tool that outlines practical information for organizations preparing for a payroll audit. The Guideline is a free resource to CPA members, and is one among a library of *Payroll Best Practice Guidelines* to support organizational compliance.

For more information about the CPA and the many benefits that membership provides, visit [payroll.ca](#) / [paie.ca](#).

– 30 –

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### About the Canadian Payroll Association:

Canada's 1.5 million employers rely on payroll practitioners to ensure the timely and accurate annual payment of \$928 billion in wages and taxable benefits, \$313 billion in statutory remittances to the federal and provincial governments, and \$177 billion in health and retirement benefits, while complying with more than 200 federal and provincial regulatory requirements. Since 1978, the Canadian Payroll Association has annually influenced the payroll compliance practices and processes of over 500,000 organizational payrolls. As the authoritative source of Canadian payroll compliance knowledge, the Canadian Payroll Association promotes payroll compliance through education and advocacy.

